

Message Text

LIMITED OFFICIAL USE

PAGE 01 MANILA 02937 071158Z

66

ACTION EA-10

INFO OCT-01 ISO-00 TRSE-00 EB-07 OMB-01 PA-01 PRS-01

USIA-06 L-02 CIAE-00 COME-00 DODE-00 DOTE-00 FMC-01

INR-07 NSAE-00 CG-00 OFA-01 DLOS-03 SS-15 NSC-05 SP-02

CIEP-01 /064 W

----- 066310

R 070843Z MAR 75

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 1153

LIMITED OFFICIAL USE MANILA 2937

E O 11652: N/A

TAGS: EWWT, EEWT, ETRD, RP

SUBJ: GOP ENCOURAGES USE OF PHILIPPINE BOTTOMS VIA TAX ADVANTAGES

1. PRESS REPORTS, AND MALACANANG PRESS OFFICE CONFIRMS, THAT PRESIDENT MARCOS SIGNED MARCH 5 THREE DECREES AIMED AT DEVELOPING SHIPPING INDUSTRY AND ENCOURAGING THE USE OF PHILIPPINE FLAG CARRIERS. DECREE OF MAIN IMPORTANCE AND SIGNIFICANCE FOR U.S. SHIPPING WOULD PERMIT EXPORTERS OF PHILIPPINE PRODUCTS, AS WELL AS IMPORTERS OF RAW MATERIALS AND INTERMEDIATES, TO DEDUCT FROM THEIR TAXABLE INCOMES AN AMOUNT EQUIVALENT TO 150 PERCENT OF OVERSEAS FREIGHT EXPENSES AND ARRASTRE CHARGES INCURRED IN SHIPPING THOSE PRODUCTS, PROVIDED THEY USE PHILIPPINE FLAG CARRIERS. ENTERPRISES REGISTERED WITH BOI WILL BE ALLOWED TO DEDUCT 200 PERCENT REPEAT 200 PERCENT.

2. SECOND DECREE SIMPLIFIES PROCEDURES UNDER WHICH OWNERS OR OCEAN-GOING VESSELS CAN OBTAIN FOREIGN EXCHANGE FOR THEIR MAINTENANCE AND OPERATIONS. THIRD DECREE PERMITS BUREAU OF POSTS TO PAY DOMESTIC SHIPPING COMPANIES FOR CARRIAGE OF DOMESTIC MAIL WHICH HITHERTO PROVIDED AT NO COST UNDER 1917 LAW.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MANILA 02937 071158Z

3. WE ENDEAVORING OBTAIN TEXTS OF DECREES FROM
MALACANANG WHICH, AS IS PRACTICE HERE, WILL NOT BE
AVAILABLE UNTIL LATER NEXT WEEK.

4. COMMENT. DECREE IS CLEARLY DISCRIMINATORY, AND
PERHAPS PERVERSELY SHIPPING MOST LIKELY TO BE ADVERSELY
AFFECTED IN LONG RUN WOULD BE THIRD FLAG VESSELS,
PARTICULARLY SOVIET SHIPPING WHICH GOP HAD BEEN PROMOTING
(MANILA A-71 AND PREVIOUS). LOCAL OFFICES OF U.S.
SHIPPING COMPANIES ALSO, INTERESTINGLY ENOUGH, SEE
DECREE AS MEANS OF BLOCKING SOVIETS AND OTHER THIRD
FLAGGERS, AND ARE CONSIDERING GETTING TOGETHER TO PUSH FOR
A BILATERAL US/PHIL AGREEMENT, THAT IS, TO PERMIT TAX
ADVANTAGE TO PHILIPPINE EXPORTER/IMPORTER IF HE USES
NATIONAL CARRIER OR U.S. CARRIER. WE ARE DISCOURAGING
THIS APPROACH ON GROUND OF INCONSISTENCY WITH U.S. POLICY.
SULLIVAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MARINE TRANSPORTATION, MARITIME LAW, SHIP REGISTRY, TAX RELIEF
Control Number: n/a
Copy: SINGLE
Draft Date: 07 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MartinML
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975MANILA02937
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750080-1011
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750372/aaaacncc.tel
Line Count: 78
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MartinML
Review Comment: n/a
Review Content Flags:
Review Date: 23 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 JUL 2003 by ElyME>; APPROVED <19 NOV 2003 by MartinML>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GOP ENCOURAGES USE OF PHILIPPINE BOTTOMS VIA TAX ADVANTAGES
TAGS: EWWT, EEWT, ETRD, RP
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006